

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 5, 1991

ALL COUNTY LETTER NO. 91-74

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY FISCAL OFFICERS

SUBJECT: RETROACTIVE DETERMINATION OF FEDERAL AFDC-FC
ELIGIBILITY

The purpose of this letter is to clarify the circumstances in which County Welfare Departments (CWD) may make retroactive determinations of Federal eligibility for Aid to Families with Dependent Children-Foster Care (AFDC-FC) and to advise Counties of the requirements for retroactive claiming of Federal financial participation (FFP).

Retroactive Eligibility for Federal AFDC-FC

If a child is denied Federal AFDC-FC benefits because of error or insufficient information and evidence later reveals that the child was eligible for the Federal AFDC-FC Program, the CWD may process a retroactive aid code change and intraprogram status change (IPSC) to Federal AFDC-FC as appropriate and retroactively claim FFP provided several conditions are met.

In every case, the CWD must ensure and document that the child meets all general and Federal conditions of eligibility. No claim may be made for any time in which the child did not meet all applicable general and Federal eligibility conditions, including but not limited to AFDC-FG/U linkage, deprivation, eligible facility and authority for placement requirements, as specified in EAS Sections 45-201, 45-202 and 45-300.

The CWD must also ensure and document that the child remained Federally eligible throughout the period for which retroactive FFP will be claimed. If evidence should appear which indicates that the child may have lost Federal eligibility for any period of time, the CWD must document Federal eligibility for each month in which FFP is to be retroactively claimed.

Please note that a retroactive change to Federal Title IV-E AFDC-FC would require documentation that the home or facility in question was licensed, certified pending or exempt and approved by the appropriate agency in each month for which a retroactive claim is considered. Again, no AFDC-FC claim may be made for any month in which the child did not meet all applicable conditions of eligibility, including eligible facility requirements. Please note that licensing, certification and approval can not be granted on a retroactive basis.

All cases involving a retroactive transfer to the Federal AFDC-FC Program will require a retroactive aid code change as discussed in the claiming instructions below. A retroactive IPSC will be required in situations involving a retroactive transfer from AFDC-FG/U to the Federal AFDC-FC Program. As already noted, the CWD must ensure that adequate documentation exists in the file to support all case decisions and actions.

It is also important to note that there are no limits on the timeframe for establishing federal linkage and eligibility. For example, a CWD may find and document that a child was eligible for but did not receive Federal AFDC-FC benefits for several years. However, retroactive County claims for FFP will only be paid if filed within 18 months of the quarter in which the original costs were paid. In the above example, the CWD would only be able to claim retroactive FFP for the last 18 months. Welfare and Institutions Code Section 10604.5 states:

"The department shall pay only those county claims for federal or state reimbursement under this division which are filed with the department within 18 months of the end of the calendar quarter in which the costs are paid. State General Fund moneys shall not be used to reimburse county welfare departments for services billed later than 18 months after the close of the quarter in which the costs were paid. A claim filed after that time may only be paid if the claim falls within the exceptions set forth in federal law. Any claim filed with the department after July 1, 1985, shall be subject to these limitations."

The following are examples of cases involving retroactive Federal AFDC-FC eligibility for your review.

Example 1

A child is removed from his/her home and placed with a relative provider. The parent's whereabouts are unknown. The case is opened under AFDC-FG status because of insufficient information on the parent's financial status; the County can not establish AFDC-FG linkage. The mother appears six months later and completes a JA-2. From her statements, the child would have been AFDC-FG eligible in the month of petition had mother applied.

Response

Given that Federal AFDC-FG/U linkage can be established and the child was otherwise Federally eligible, a retroactive claim for FFP may be submitted and a retroactive IPSC made to Federal AFDC-FC for the entire period of AFDC-FC placement.

Example 2

The Intake Worker made a mistake. S/he neglected to check the MEDS clearance which showed that the parents were on AFDC-FG/U in another County. The case is opened under State AFDC-FC status because the County can not establish AFDC-FG/U linkage. The mistake is discovered five months later. The child spent the first two months in a for-profit group home. S/he was subsequently placed with a Foster Family Agency (FFA).

Response

Given that the parents were on AFDC-FG/U in another County (Federal linkage) and the child was otherwise Federally eligible, the County can correct the child's erroneous non-Federal status. A retroactive claim for FFP may be submitted for the three months in which the child lived in the Federally eligible (non-profit) FFA. A retroactive aid code change would be made effective the date of Federal AFDC-FC eligibility.

Example 3

A child is removed from his/her home and placed in a foster family home. The parents are uncooperative and the case is opened under State AFDC-FC status because of insufficient information. The parents remain uncooperative until the CWD decides to place the child with a relative two years later. The child's mother then agrees to cooperate, and the CWD learns that the child would have been AFDC-FG eligible in the month of petition had the mother applied.

Response

Given that AFDC-FG/U linkage can be established and the child is and has been otherwise Federally eligible, a retroactive claim for FFP can be submitted and a retroactive aid code change made to Federal AFDC-FC for the period permitted by the 18 month limitation on County claims.

Claiming Instructions


As mentioned previously, all AFDC-FC eligibility conditions must be in place in order to establish that a child is retroactively eligible to receive Title IV-E funds. Subject to the 18 month claim limit discussed above, the CWD shall adjust their claims back to the effective date of a child's retroactive eligibility to Federal AFDC-FC.

In those situations where a case is retroactively transferring from AFDC-FG/U to Federal AFDC-FC, it will be necessary to apply a simultaneous adjustment to both programs. A retroactive negative adjustment of persons counts and dollar amounts must be reflected on Line 12 (Prior Month Negative Adjustments) of the CA 800 Federal for AFDC-FG/U. A retroactive prior month positive adjustment of the same persons counts and dollar amounts must be reflected on Line 9, (Schedule of Adjustments) of the CA 800 FC (FED) for AFDC-FC. This adjustment results in a decrease to the AFDC-FG/U Program and a corresponding increase to the Federal AFDC-FC Program. A retroactive aid code change from 30 or 35 to 42 is also necessary for this situation. Supporting documentation such as the case name, case number, grant month, etc., must accompany the payroll in order to verify the amounts being adjusted.

If it is necessary to issue a supplemental warrant in this situation because the AFDC-FC grant is greater than the AFDC-FG/U grant, then the difference would be claimed as a prior month supplemental payment on the CA 800 FC (FED).

The above instructions would also apply similarly to cases transferring from Non-Federal AFDC-FC to Federal AFDC-FC, except for the issuance of a supplemental payment because the grant levels are the same for both programs. A simultaneous adjustment to both programs would be necessary. A retroactive prior month negative adjustment of persons counts and dollar amounts must be reflected on Line 9 of the CA 800 FC (NONFED), and a retroactive prior month positive adjustment of the same persons counts and dollar amounts must be reflected on Line 9 of the CA 800 FC (FED). The aid code must be retroactively changed from 40 to 42. Supporting documentation must also accompany the payroll in order to verify the amounts being adjusted.

If you have any questions regarding the claiming instructions, please contact Stephanie Davis, fiscal consultant, at (916) 323-0267. Questions concerning AFDC-FC eligibility should be directed to your Foster Care Program Bureau consultant at (916) 445-0813.



ROBERT A. HOREL
Deputy Director
Welfare Program Division